

A-REIT to acquire three properties worth \$70.25 million
- expected to generate weighted average property yield of 7.7%

25 August 2005, Singapore – Ascendas-MGM Funds Management Limited (the “**Manager**”), the manager of Ascendas Real Estate Investment Trust (“**A-REIT**”) is pleased to announce that A-REIT has today signed separate put and call agreements to acquire two properties for an aggregate purchase price of \$35.45 million. In addition, the Manager has entered into a memorandum of understanding with a vendor for the purchase of a Changi property (the “**Changi Property**”) for \$34.8 million today. Based on the estimated aggregate net property income for the three properties, the weighted average property yield is expected to be 7.7%. The three properties are 1 Jalan Kilang, 11 Tampines Street 92 and the Changi Property (together, the “**Properties**”). The Properties’ pro forma financial effect on A-REIT’s distributable income per unit for the financial year ended 31 March 2005 would be 0.14 cents⁽¹⁾.

The two separate put and call option agreements were signed with Dynasty House Investment Pte Ltd (“**Dynasty**”) for 1 Jalan Kilang and Trivec Singapore Pte Ltd (“**Trivec**”) for 11 Tampines Street 92. In relation to the memorandum of understanding signed, both A-REIT and the vendor of the Changi Property are in an advanced stage of negotiation and the Manager expects that the put and call option agreement for the Changi Property will be executed by the parties within a week from today. A-REIT will make the necessary announcement promptly after the put and call option agreement has been executed.

Mr Tan Ser Ping, Chief Executive Officer of the Manager, said, “Since the announcement of \$271.7 m acquisitions on 27 July 05, the Manager is pleased to

⁽¹⁾ Assuming that: A-REIT had purchased, held and operated the three properties as well as other properties acquired since the start of A-REIT’s current financial year, for the whole of the financial year ended 31 March 2005; the acquisition of the three properties had been funded using the optimal gearing level of 30% debt and 70% equity; and in respect of each of the three properties, the Manager had elected to receive its base Fee entirely in cash and its performance Fee entirely in units.

announce another set of yield-accretive acquisitions that generate positive returns and add value to A-REIT unitholders. We expect that there will be potential growth for A-REIT through future positive rental reversions on these well-located multi-tenanted buildings.”

Summary of Properties and Lease Terms

Property	Appraised Value (S\$ million)	Purchase Price (S\$ million)	Property Yield Before Costs ⁽¹⁾ (%)	Lease Tenure (Years)	Land Area (sqm)	Gross Floor Area (sqm)	Net Lettable Area (sqm)	Major Tenants	Land Lease Expiry	Remarks
1 Jalan Kilang	18.7	18.7	8.0	Multi-tenanted hi-tech industrial Building	2,863	7,158	6,075	Transtel Engineering Pte Ltd, Quintiles East Asia Pte Ltd, Ushio Singapore Pte Ltd	31-Dec-2062	\$1.9 million of the purchase price will be paid two years after the date of completion when all the outstanding obligations of the vendor have been fulfilled.
11 Tampines Street 92	16.75	16.75	7.7	Multi-tenanted light industrial Building	15,006	18,086	14,545	George Fischer Pte Ltd, Capitol Gravure Industries Pte Ltd	30-Nov-2049	\$4.25 million of the purchase price will be fully paid in two instalments. Please see item 2 under Description of the Property for more details.
A Changi property	34.8	34.8	7.6	Multi-tenanted logistics Building	16,005	25,583	23,146	to be announced at a later date	31-Aug-2058	-
Total/ Average	35.45	35.45	7.7		33,874	50,827	43,766			

Note:

- (1) The property yield has been calculated based on the purchase price excluding amounts to be paid subsequently.

The acquisitions of the Properties are expected to be completed by end-October 2005, subject to their respective conditions precedent including A-REIT securing sufficient financing. The proposed acquisitions are expected to require funding through additional borrowings and an issue of new units in A-REIT (“**Units**”). The Manager is finalising its plans for an issue of new Units and an announcement of such plans will be made shortly.

Description of the Properties

1. 1 Jalan Kilang

1 Jalan Kilang is easily accessible via Jalan Bukit Merah and the Ayer Rajah Expressway.

The property comprises a six-storey multi-tenanted hi-tech industrial building, 27 parking lots for cars, two loading bays and two cargo lifts with a capacity of 3,000 kg each. Its tenants include Transtel Engineering Pte Ltd, Quintiles East Asia Pte Ltd and Ushio Singapore Pte Ltd. Dynasty will provide A-REIT with a rental guarantee at market rent for two years over vacant space and leases expiring in years 2005 and 2006. A-REIT will pay Dynasty the amount of \$1.9 million to be withheld in lieu of the outstanding obligations to be fulfilled, two years after the date of completion.

The total gross floor area is 7,158 sqm on a land area of 2,863 sqm (subject to survey).

2. 11 Tampines Street 92

The property at 11 Tampines Street 92 is in the eastern part of Singapore and is readily accessible by PIE and ECP. It is also located in close proximity to Singapore Expo, Changi Business Park and Changi Airport.

The property comprises a four-storey light industrial building, 125 parking lots for cars and four loading bays. Its anchor tenants include George Fischer Pte Ltd and Capital Gravure Industries Pte Ltd.

The total gross floor area is 18,086 sq m of which 7,417 sqm is under asset enhancement works, on a land area of 15,006 sqm (subject to survey).

A-REIT will pay Trivec \$4.25 million of the purchase price at later dates according to the agreement as follows:

- (a) an aggregate of \$3.25 million to be paid by instalments on completion of the asset enhancement works on 7,417 sqm of gross floor area, expected in December 2005;
- (b) the remaining \$1.0 million to be paid at the end of the second year from the completion of the construction of the asset enhancement or on the date when the additional space is fully tenanted after the expiry of the lease of the extension, whichever is the later date.

3. The Changi Property

The property comprises a three-storey logistics building located in Changi and is readily accessible by the Pan Island Expressway and East Coast Parkway from the city centre.

The total gross floor area of the property is 26,000 sqm.

A-REIT currently has a portfolio of 44 properties. A-REIT had also previously announced eleven other proposed acquisitions: a building along Depot Road being developed by Ascendas Pte Ltd for lease to a US Fortune 500 multinational company which is a pre-committed project expected to be completed in 2006, Ness Building, which is expected to be completed in October 2005, Hamilton Sunstrand Building and Thales Building which are currently under construction and expected to complete by October 2005 and January 2006 respectively; Hoya Building, LogisHub@Clementi, Techquest and Techview, Cityneon Design Centre, NNB Industrial Building and SENKEE Logistics Hub.

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About A-REIT (www.a-reit.com)

A-REIT is the first business space and light industrial real estate investment trust ("REIT") listed on the SGX-ST. It has a diversified portfolio of 44 properties in Singapore, comprising business park (including science park), light and hi-tech industrial properties, and logistics and distribution centres, with a book value of S\$2.3 billion. These properties house a tenant base of over 500 international and local companies from a range of industries and activities, including research and development, life sciences, information technology, engineering and light manufacturing. Major tenants include SingTel, C&P Logistics, Siemens, TT International, Honeywell, IHPC, Zuellig Pharma, LFD (Singapore), OSIM International, Venture Corporation, Federal Express, Freight Links Express, Johnson & Johnson, RSH, Infineon Technologies, Procter & Gamble and Hyflux.

A-REIT is listed in several indices. These include the Morgan Stanley Capital International, Inc (MSCI) Index, the FTSE Global Small Cap Asia Pacific Ex Japan Index Series, the European Public Real Estate Association/National Association of Real Estate Investment Trusts (EPRA/NAREIT) Global Real Estate Index, Global Property Research (GPR) Asia 250 and the Standard & Poor inaugural S&P Asia PowerPicks 2004 portfolio.

A-REIT is managed by **Ascendas-MGM Funds Management Limited** (in its capacity as manager of A-REIT), a 60:40 joint venture between Singapore-based Ascendas Pte Ltd and Australian-based Macquarie Goodman Management Limited.

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Important Notice

The value of Units and the income derived from them may fall as well as rise. Units are not obligations of, deposits in, or guaranteed by, the Manager or any of its affiliates. An investment in Units is subject to investment risks, including the possible loss of the principal amount invested.

Investors have no right to request the Manager to redeem their Units while the Units are listed. It is intended that unitholders of A-REIT may only deal in their Units through trading on the SGX-ST. Listing of the Units on the SGX-ST does not guarantee a liquid market for the Units.

The past performance of A-REIT is not necessarily indicative of the future performance of A-REIT.

This release may contain forward-looking statements that involve risks and uncertainties. Actual future performance, outcomes and results may differ materially from those expressed in forward-looking statements as a result of a number of risks, uncertainties and assumptions. Representative examples of these factors include (without limitation) general industry and economic conditions, interest rate trends, cost of capital and capital availability, competition from other companies and venues for the sale or distribution of goods and services, shifts in customer demands, customers and partners, changes in operating expenses (including employee wages, benefits and training costs), governmental and public policy changes and the continued availability of financing in the amounts and the terms necessary to support future business. Investors are cautioned not to place undue reliance on these forward-looking statements, which are based on the Manager's current view on future events.